

House Engrossed

**FILED**

**KEN BENNETT  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-ninth Legislature  
First Regular Session  
2009

CHAPTER 18

# **HOUSE BILL 2312**

AN ACT

AMENDING SECTION 48-253, ARIZONA REVISED STATUTES; RELATING TO SPECIAL TAXING DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 48-253, Arizona Revised Statutes, is amended to  
3 read:

4 48-253. District audits and financial reviews

5 A. Each district ~~which~~ THAT is organized under this title, ~~which~~ THAT  
6 is not exempt under subsection F of this section and ~~which~~ THAT is required  
7 to make an annual report under this article shall have its reports audited in  
8 accordance with generally accepted auditing standards and the following:

9 1. Audits required by this section shall be performed annually for  
10 districts whose budgets are one million dollars or more. Districts whose  
11 budgets are one hundred thousand dollars or more but less than one million  
12 dollars shall have a financial review performed annually. Districts whose  
13 budgets are MORE THAN FIFTY THOUSAND DOLLARS AND less than one hundred  
14 thousand dollars shall have a financial review performed at least biennially.  
15 DISTRICTS WHOSE BUDGETS ARE FIFTY THOUSAND DOLLARS OR LESS SHALL HAVE A  
16 FINANCIAL REVIEW PERFORMED AT THE REQUEST OF THE COUNTY BOARD OF SUPERVISORS  
17 OR ON RECEIPT OF A REQUEST FOR A FINANCIAL REVIEW THAT IS SIGNED BY AT LEAST  
18 TEN RESIDENTS OF THAT DISTRICT. A DISTRICT SHALL NOT BE REQUIRED TO PERFORM  
19 A FINANCIAL REVIEW MORE THAN ONCE PER FISCAL YEAR.

20 2. A district may select an outside auditor who is a certified public  
21 accountant or a representative who is selected by the board of supervisors  
22 and who is trained as an auditor.

23 3. A district may advertise and use competitive bidding practices to  
24 select an agent to perform the audits or financial reviews required by this  
25 section.

26 B. Each district that submits a financial statement for the preceding  
27 fiscal year that has been attested to by an independent certified public  
28 accountant pursuant to section 48-251 is deemed to have complied with this  
29 section by submitting a copy of the financial statement to the county  
30 treasurer.

31 C. Each district shall submit a copy of the completed audit or  
32 financial review to the county treasurer and the board of supervisors within  
33 one hundred eighty days after the close of the district's fiscal year OR  
34 WITHIN ONE HUNDRED EIGHTY DAYS AFTER A REQUEST FOR A FINANCIAL REVIEW IS  
35 RECEIVED BY THE DISTRICT PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS  
36 SECTION.

37 D. If a district fails to submit an audit or financial review as  
38 required by this section, any taxpayer residing in the district, the board of  
39 supervisors or the county treasurer may petition the superior court in a  
40 county where the district is organized to show cause why the audit or  
41 financial review has not been submitted. On a failure to show cause the  
42 court shall order the district to submit the audit or financial review within  
43 ten days after the judgment is entered.

1       E. If the court enters a judgment against the district under this  
2 section, the court may award the taxpayer, board of supervisors or county  
3 treasurer reasonable attorney fees and costs associated with bringing the  
4 action.

5       F. Districts organized under chapters 4, 6, 17, 22, 27 and 28 of this  
6 title are exempt from the requirements of this section.

APPROVED BY THE GOVERNOR JULY 9, 2009.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 9, 2009.